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- I. The Chinese Communist Party's 5th Congress, its first since 1945, is scheduled to open in Poiping on 15 September. The Congress is expected to start the party in the direction of "collective leadership," although Emo Tse-tung, who has personally led the party since 1935, will almost certainly continue to be the deminant figure.
- II. There are four principal items on the Congress' agenda:
 - A. The report of the Contral Committee—on its work since 1845.
 - 3. A report on revision of the Party Constitution.
 - C. A directive on the Second Five-Year Plan-for the period 1958-62.
 - D. Election of a new Control Committee.
- III. The last CCP Congress (1945), like Soviet party congresses since the 1990's, was a rubber-stemp for the party leadership, enthusiastically approving its policies and electing its choices to the Contral Countities. This is expected to be essentially the case again, although there will be an appearance of earnest discussion and a mild show of "eriticism and solf-criticism."
- Committee report the main address, with an elaborate review of the world situation, Chima's internal position, and the condition of the purty. If so, See or See's choice as second-ranking leader will probably make the report. Alternatively, Peiping may break the report into several components, with several members of the "collective"

leadership" reporting. Either way, the principal points are ex-

- A. That the Bloc is growing stronger and the West weaker, and that the Bloc, while able to win any war, will continue to seek aggetiated settlements of entstanding problems.
- E. That China remains on the "high tide of Socialist revolution," and that this can be substantially completed in three years or less.
- C. The party is stronger and more united around its leadership than ever before, and the leadership in faithful to Louisian as apposed to one-man rule (although we do not expect the Chinese to begin to denounce Stalin in terms as strong as the Russians have used).
- ME. The report on revision of the party Constitution will probably be given by Mao's principal spokesman for party affairs since 1945, Liu Shae-chi, or by a deputy of Liu's. The revisions will probably bring the Constitution into closer conformity with the Seviet statutes adapted in 1952.
 - A. A new Constitution may reduce the number of posts held by the head of the party. Man is now Chairman of the Contral Constitue, Polithuro and Secretariat (which directs daily operations). Elimination of one or more of these posts would present a greater appearance of collective leadership and would in fact take a step toward such a collective.
- VI. The Second Five-Year Flan in many respects will be Peiping's first coordinated long-term plan. It will almost certainly emphasize

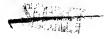


heavy industry and savisage a great increase in agricultural output.

- A. Peiping has announced a 1962 goal of 14 million tons of steel (five times the 1955 claim). The Chinese are expected to try to double the coal output (93 million tons in 1955), and nearly to double grain output (184 million tons in 1955).
- 3. The goal for grain output in particular seems unrealistic, although the grain increase will probably keep up with the expected population growth of almost two percent annually.

The composition of the new membership of the Contral Committee will be significant because it will have been decided on beforehand by the party's top leaders and thus may reflect their comparative strengths.

- A. The high levels of the party and government in recent years have clearly represented Mao Tae-tung's own team. The Contral Committee elections, like the proceedings of the Congress as a whole, will reflect Hao's predeminance and throw further light on his preferences as to his heirs.
- s. Moreover, it is by no means assured that Mes's arrangements will survive him; some of his lieutemants way well have plans of their own. Hany of them have acquired protoges of their own, and their success in installing personal followers in hey parts of the party structure may have a profound effect on the peat-Mac leadership.
- C. Has's two most powerful lieutenants have long seemed to be Liu Shae-chi and Chou En-lai. Other centers of power seem



yeng to-basi, the fast-rising defense minister; Peng Ches, mayor and party bees of Pelping; and Enng Sheng, long reported as the party's secret police chief. There are several other figures who would be great assets to any contender for your but who do not appear to be contended of power themselves.

- B. In the elections to the Central Committee, and in subsequent appaintments to the key organs (Polithero, Secretariat, and contral departments such as organization and party police), we expect Liu, Chou and Peng To-huai to strongthen their positions considerably, and Peng Chen and Eng Shong to make gains.
- They have long been reported in getting evidence as to they have long been reported as hostile, and there have been fragmentary indications that they have been competing for power in the government structure (in which they hold the two top jobs). It will probably be some weeks before we can reach any view on this question.



